



0000155416

BEFORE THE ARIZONA CORPORATION C

RECEIVED

COMMISSIONERS

BOB STUMP - Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 AUG 19 P 2:39

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS ANTHEM WATER
DISTRICT AND ITS SUN CITY WATER
DISTRICT, AND POSSIBLE RATE
CONSOLIDATION FOR ALL OF ARIZONA-
AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission
DOCKETED

AUG 19 2014

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICE BY ITS ANTHEM/AGUA
FRIA WASTEWATER DISTRICT, ITS SUN CITY
WASTEWATER DISTRICT AND ITS SUN CITY
WEST WASTEWATER DISTRICT, AND
POSSIBLE RATE CONSOLIDATION FOR ALL
OF ARIZONA-AMERICAN WATER
COMPANY'S DISTRICTS.

DOCKET NO. SW-01303A-09-0343

PROCEDURAL ORDER**BY THE COMMISSION:**

On August 18, 2014, a Procedural Order was issued in the above-captioned Docket that, among other things, scheduled a hearing, set various procedural filing dates, and ordered EPCOR Water Arizona, Inc. ("EPCOR") to mail and publish notice of the proceeding.

The Customer Notice contained within the August 18, 2014 Procedural Order inadvertently omitted certain information that should have been included. The Procedural Order also included an Ordering Paragraph that should not have been included.

IT IS THEREFORE ORDERED that EPCOR shall substitute the following Revised Customer Notice for the notice that was contained in the August 18, 2014 Procedural Order, and shall mail and publish the Revised Customer Notice in accordance with the requirements set forth in the prior Procedural Order:

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF EPCOR WATER ARIZONA, INC. OF A HEARING ON RATE CONSOLIDATION/DECONSOLIDATION PROPOSALS FOR POSSIBLE RATE CHANGES FOR UTILITY SERVICE IN ALL OF ITS ARIZONA WASTEWATER DISTRICTS.
(DOCKET NOS. W-01303A-09-0343 AND SW-01303A-09-0343)

Summary

In Decision No. 74588, the Arizona Corporation Commission ("Commission") ordered EPCOR Water Arizona, Inc. ("EPCOR" or "Company") to address the rate impacts of consolidation and deconsolidation of all the Company's wastewater districts. As ordered by the Commission, the Company made that filing on August 8, 2014, in the above-referenced dockets. To allow for the consideration of consolidation/deconsolidation of the Company's wastewater districts, a hearing will be held to address these matters. The rate design proposals set forth in the Company's filing would require modifications to the Commission's decisions that relate to wastewater (Decision Nos. 73837, 73230, 73227, 73221 and 72047), pursuant to A.R.S. § 40-252. **A decision in this matter may impact the rates of every wastewater customer of the Company – either as an increase or decrease.** The Commission will determine the appropriate relief to be granted (if any) based on the evidence presented by the parties. **The Commission is not bound by the proposals made by Commission Staff, the Company, or any of the Intervenors.**

The Company's direct testimony will be filed by September 8, 2014. Direct testimony from intervenors and the Commission's Utilities Division ("Staff") will be filed by October 6, 2014. Rebuttal testimony by EPCOR will be filed by October 20, 2014. Surrebuttal testimony by the Intervenors and Commission Staff, will be filed by November 4, 2014. The Commission will hold a hearing on this matter beginning November 12, 2014, at 10:00 a.m. in Hearing Room No. 1, at the Commission's offices, 1200 W. Washington Street, Phoenix, Arizona 85007.

Rate Consolidation/Deconsolidation

Currently, the Company's rates are unique for each of its Arizona wastewater districts. Alternatively, rate consolidation is the process of combining two or more districts for the purpose of averaging the differing rates into a single rate for comparable customers (i.e., residential customers). Therefore, under consolidation, instead of charging a different rate to customers in different wastewater districts, all comparable customers would pay the same rate. Deconsolidation would create additional wastewater districts based on additional geographic areas of service, and rates would be set based on the cost to serve each specific area.

Full rate consolidation would combine the rate structures for all of the Company's wastewater districts (Agua Fria, Anthem, Mohave, Sun City, and Sun City West) into one rate structure. The rates for the Mohave Wastewater District are currently the subject of a pending rate case (Docket No. WS-01303A-14-0010), which is scheduled for hearing on December 2, 2014. The Company's consolidation information (filed on August 8, 2014) includes the proposed revenue requirement for the Mohave Wastewater District in Docket No. WS-01303A-14-0010 in the consolidation proposal. Customers should be aware that full consolidation would result in the combination of the Mohave wastewater revenue requirement that would result from the pending rate case in Docket No. WS-

01303A-14-0010 with the revenue requirements from each of the wastewater districts in Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343.

How You Can View or Obtain a Copy of the Company's August 8, 2014 Filing

Copies of the Commission-ordered filing made by the Company are available from the following:

1. The offices of EPCOR Water Company, Inc., 2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027;
2. The Company's website at www.epcor.com;
3. The Commission's Docket Control Center, 1200 W. Washington Street, Phoenix, AZ, open for public inspection during regular business hours; and
4. The Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **November 12, 2014, at 10:00 a.m.**, at the Commission's offices Hearing Room No. 1, 1200 West Washington Street, Phoenix, Arizona 85007. Public comments will be taken on the first day of hearing.

Any interested person may participate in this matter by (1) providing written or oral public comment; or (2) filing for intervention and becoming a formal party to the proceeding.

How to Make Public Comment

Oral public comments will be taken on the first day of the hearing. Written public comments may be submitted by mailing a letter referencing **Docket Nos. W-01303A-09-0343 and SW-01303A-09-0343** to Arizona Corporation Commission, Consumer Services, 1200 W. Washington Street, Phoenix, Arizona 85007. You may also file your written comments electronically by going to the following link:

<http://www.azcc.gov/Divisions/Utilities/forms/PublicCommentForm2013PDFEmail.pdf>

If you require assistance, you may contact the Commission's Consumer Services Section at 602-542-4251 or 1-800-222-7000.

If you do not intervene, you will receive no further notice of the proceedings in this docket. **However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website www.azcc.gov using the e-Docket function, located at the bottom of the website homepage. RSS feeds are also available through e-Docket.

About Intervention

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. The granting of intervention entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses.

Anyone who has already been granted intervention in Docket No. SW-01303A-09-0343 need not request intervention again in order to continue to participate in that case. However, intervenors in SW-01303A-09-0343 who wish to participate in **Mohave wastewater rate case (Docket No. WS-01303A-14-0010)** must request intervention in the Mohave docket.

1 If you wish to intervene in the consolidation/deconsolidation matter (Docket No. SW-01303A-
2 09-0343), you must file an original and 13 copies of a written motion to intervene with the
3 Commission's Docket Control Center no later than October 1, 2014, and send a copy of the
4 motion to the Company or its counsel and to all parties of record. Contact information for the
5 Company and parties of record may be obtained using the Commission's e-Docket Function and
6 Docket Nos. W-01303A-09-0343 or SW-01303A-09-0343.

7 If you wish to intervene in the Mohave wastewater rate case (Docket No. WS-01303A-14-0010),
8 you must file an original and 13 copies of a written motion to intervene with the Commission's
9 Docket Control Center no later than September 19, 2014, and send a copy of the motion to the
10 Company or its counsel and to all parties of record. Contact information for the Company and
11 parties of record may be obtained using the Commission's e-Docket Function referencing Docket
12 No. WS-01303A-14-0010.

13 Anyone who has already been granted intervention in Docket No. WS-01303A-14-0010 need not
14 request intervention again in order to continue to participate in that case. However, intervenors in
15 Docket No. WS-01301A-14-0010 who wish to participate in SW-01303A-09-0343 must request
16 intervention in Docket No. SW-01303A-09-0343.

17 You do not need to intervene if you want to appear at the hearing only to provide public comment, or
18 if you want to file written public comments in the record of the case.

19 Your motion to intervene must contain the following:

- 20 1. Your name, address, and telephone number, and the name, address, and telephone number of
21 any person upon whom service of documents is to be made, if not yourself;
- 22 2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a
23 shareholder of the Company, etc.); and
- 24 3. A statement certifying that you have mailed a copy of the motion to intervene to the Company
25 or its counsel and to all parties of record in the case.

26 The granting of motions to intervene is governed by A.A.C. R14-3-105, except that all motions to
27 intervene must be filed on or before October 1, 2014. For a sample intervention request form, go
28 to <http://www.azcc.gov/divisions/utilities/FORMS/interven.pdf>. All parties must comply with
Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law.

If you do intervene, and wish to present direct testimony and associated exhibits at the hearing,
you must, on or before October 6, 2014: (1) reduce your direct testimony and associated
exhibits to writing, (2) file the original and 13 copies with the Commission's Docket Control
Center by 4:00 p.m., and (3) mail a copy to each party.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings.
Persons with a disability may request a reasonable accommodation such as a sign language
interpreter, as well as request this document in an alternative format, by contacting the ADA
Coordinator, Shaylin Bernal, email SABernal@azcc.gov, voice phone number 602-542-3931.
Requests should be made as early as possible to allow time to arrange the accommodation.

1 IT IS FURTHER ORDERED that the Ordering Paragraph on page 7, at lines 17 to 19, of
2 the August 18, 2014 Procedural Order should be disregarded.

3 IT IS FURTHER ORDERED that in all other respects, the August 18, 2014 Procedural
4 Order shall remain in full force and effect.

5 IT IS FURTHER ORDERED that EPCOR is hereby placed on notice that the expedited
6 schedule adopted in this proceeding may cause the hearing in Docket No. WS-01303A-14-0010,
7 currently scheduled to begin on December 2, 2014, to be rescheduled and the timeclock
8 extended.

9 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
10 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
11 *pro hac vice*.

12 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
13 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
14 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
15 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
16 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
17 Administrative Law Judge or the Commission.

18 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
19 Communications) continues to apply to this proceeding and shall remain in effect until the
20 Commission's Decision in this matter is final and non-appealable.

21 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
22 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

23 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
24 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
25 hearing.

26 ...

27 ...

DATED this 19th day of August, 2014.



DWIGHT D. NODES
ASSISTANT CHIEF ADMINISTRATIVE
LAW JUDGE

Copies of the foregoing mailed/delivered
this 19th day of August, 2014 to:

Mr. Thomas H. Campbell
Mr. Michael T. Hallam
LEWIS AND ROCA LLP
201 E. Washington, #1200
Phoenix, Arizona 85004

Mr. Robert Metli
MUNGER CHADWICK P.L.C.
2398 E. Camelback Road, Suite 240
Phoenix, AZ 85016

Ms. Judith M. Dworkin
Ms. Roxanne S. Gallagher
SACKS TIERNEY PA
4250 North Drinkwater Blvd., Floor 4
Scottsdale, Arizona 85251-3693

Mr. Philip H. Cook
10122 West Signal Butte Circle
Sun City, Arizona 85373

Mr. Lawrence V. Robertson, Jr.
Post Office Box 1448
Tubac, Arizona 85646- 1448

Mr. Andrew M. Miller
Mr. Tom Attorney
TOWN OF PARADISE VALLEY
6401 East Lincoln Drive
Paradise Valley, Arizona 85253

Mr. Daniel Pozefsky
Chief Counsel
RUCO
1110 West Washington Street, Suite 220
Phoenix, Arizona 85007

Mr. Bradley J. Herrema
Mr. Robert J. Saperstein
BROWNSTEIN HYATT FARBER
SCHRECK, LLP
21 East Carillo Street
Santa Barbara, California 93101

Mr. Larry Woods
President
Property Owners and Residents Assn.
13815 East Camino Del Sol
Sun City West, Arizona 85375

Mr. Marshall Magruder
P.O. Box 1267
Tubac, Arizona 85646-1267

W. R. Hansen
12302 West Swallow Drive
Sun City West, Arizona 85375

Mr. Norman-D. James
FENNEMORE CRAIG, P.C.
2394 E. Camelback, Suite 2600
Phoenix, Arizona 85016

Mr. Greg Patterson
916 West Adams Street, Suite 3
Phoenix, Arizona 85007

Mr. Larry D. Woods
15141 West Horseman Lane
Sun City West, Arizona 85375

1 Ms. Joan S. Burke
LAW OFFICE OF JOAN S. BURKE
2 1650 North First Avenue
Phoenix, Arizona 85003

3 Mr. Craig A. Marks
4 CRAIG A. MARKS, PLC
5 10645 North Tatum Boulevard, Suite 200-676
Phoenix, Arizona 85028

6 Scottsdale Citizens for Sustainable Water
7 7322 East Cactus Wren Road
Scottsdale, Arizona 85250-4526

8 Ms. Lynn M. Krupnik
9 EKMARK & EKMARK, LLC
10 6720 North Scottsdale Road, Suite 261
Scottsdale, Arizona 85253

11 Peter and Rochanee Corpus
12 8425 North 181st Drive
13 Waddell, Arizona 85355

14 Ms. Michele L. Van Quathem
RILEY CARLOCK & APPLEWHITE
15 One North Central Avenue, Suite 1200
16 Phoenix, Arizona 85004-4417

17 Mr. George M. Turner
President, Board of Directors
18 Russell Ranch Homeowners' Assoc., Inc.
Post Office Box 12560
19 Glendale, Arizona 85318

20 Mr. Frederick G. Botha
21 Ms. Mary L. Botha
23024 North Giovota Drive
22 Sun City West, Arizona 85375

23 Ms. Tammy Ryan
24 Mr. Andy Terrey
City of Phoenix
25 Water Services Department
200 West Washington, Floor 9
26 Phoenix, Arizona 85003-1611

Ms. Cynthia Campbell
Assistant City Attorney
Office of the City Attorney
200 West Washington, Suite 1300
Phoenix, Arizona 85003-1611

Mr. Chad R. Kaffer
Mr. Troy Stratman, Esq.
MACK DRUCKER & WATSON, PLC
3200 North Central Avenue, Suite 1200
Phoenix, Arizona 85012

Mr. Jason D. Gellman
ROSHKA, DEWULF & PATTEN, PLC
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Thomas and Laurie Decatur
924 Torridon Court
Pickerington, Ohio 43147

Mr. Kenneth Hewitt
18729 North Palermo Court
Surprise, Arizona 85387

Ms. Peggy H. Rahkola
The Arizona Traditions HOA
17221 North Citrus
Surprise, Arizona 85374

Mr. Jim Weihman
The Happy Trails Community Association
17200 West Bell Road
Surprise, Arizona 85374

Mr. Nicholas Mascia
The Surprise Farms III Community Assn.
1600 West Broadway Road, Suite 200
Tempe, Arizona 85282

Mr. William B. Lipscomb
Kingswood Parke Community Association
14976 West Bottletree Avenue
Surprise, Arizona 85374

1 Mr. Kevin Chiariello
Greer Ranch South HOA
2 16074 West Christy
Surprise, Arizona 85379
3

4 Mr. Michael D. Bailey
City Attorney
City of Surprise
5 16000 North Civic Center Plaza
6 Surprise, Arizona 85374

7 Mr. Mike Albertson
6634 North 176th Avenue
8 Waddell, Arizona 85355

9 Mr. Brian O'Neal
10 21373 West Brittle Bush Lane
Buckeye, Arizona 85396
11

12 Craig and Nancy Plurnmer
17174 West Saguardo Lane
13 Surprise, Arizona 85388

14 William and Erin Parr
18044 West Georgia Court
15 Litchfield Park, Arizona 85034

16 Ms. Sharon Wolcott
20117 North Painted Cove Lane
17 Surprise, Arizona 85387

18 Mr. Owen Dejanovich
19 Clearwater Farms Three HOA
P.O. Box 72
20 Waddell, Arizona 85355

21 Mr. Jim Oravetz
22 Legacy Parc South Homeowners Assn.
1600 West Broadway Road, Suite 200
23 Tempe, Arizona 85282

24 Mr. Stan Mucha
25 The Sun Village Community Association
17300 North Sun Village Pkwy
26 Surprise, Arizona 85374
27
28

Ms. Jan Garcia
Sycamore Estates Parcel 13 Comm. Assn.
1600 West Broadway Road, Suite 200
Tempe, Arizona 85282

Mr. Garry D. Hays
THE LAW OFFICES OF GARRY D. HAYS
PC
1702 East Highland Avenue, Suite 204
Phoenix, Arizona 85016

Mr. Jared Evenson
Cross River Homeowners Association
1600 West Broadway Road, Suite 200
Tempe, Arizona 85282

Mr. Timothy L. Duffy
Ms. Cindy J. Duffy
19997 North Half Moon Drive
Surprise, Arizona 85374

Mr. Mike Smith
Sierra Montana Homeowners Association
c/o Rossmar & Graham
15396 North 83rd Ave., Bldg. B, Suite 101
Peoria, Arizona 85381

Ms. Susan Harr
Summerfield at Litchfield Subdivision HOA
13201 North 35 Avenue, Suite B-3
Phoenix, Arizona 85029

Ms. Dana Rosenbaum
Surprise Farms Community Assn., Phase 1A
P.O. Box 25466
Tempe, Arizona 85285-5466

Mr. Jerome M. Ellison II
Cortessa Community Association
P.O. Box 25466
Tempe, Arizona 85285-5466

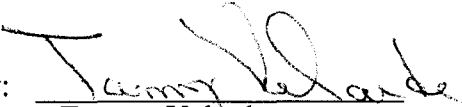
Ms. Jeanne Stockard
Northwest Ranch Homeowners Association
4742 North 24th Street, Suite 325
Phoenix, Arizona 85016

1 Mr. Jay L. Shapiro
2 Mr. Patrick J. Black
3 FENNEMORE CRAIG
4 2394 E. Camelback, Suite 600
5 Phoenix, Arizona 85016

6 Mr. Steven M. Olea
7 Director, Utilities Division
8 ARIZONA CORPORATION COMMISSION
9 1200 West Washington Street
10 Phoenix, Arizona 85007

11 Ms. Janice M. Alward
12 Chief Counsel, Legal Division
13 ARIZONA CORPORATION COMMISSION
14 1200 West Washington Street
15 Phoenix, Arizona 85007

16 COASH & COASH, INC.
17 COURT REPORTING, VIDEO &
18 VIDEOCONFERENCING
19 1802 N. 7th Street
20 Phoenix, AZ 85006

21 By: 
22 Tammy Velarde
23 Assistant to Dwight D. Nodes
24
25
26
27
28

(Service lists are combined from Docket Nos.
W-01303A-09-0343, SW-01303A-09-0343
and W-01303A-10-0448)